

**REGULATION ON INSURANCE AND
REINSURANCE MEDIATION**

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PART I

GENERAL PROVISIONS

Article 1 – Definitions.

1. For the purposes of these Regulations, the following definitions shall apply:

- a) “members of staff”: employees or any other persons appointed by intermediaries registered under sections A, B or C of the register of insurance and reinsurance intermediaries pursuant to article 27 of the LISF, performing insurance or reinsurance mediation activities within the premises of the aforementioned intermediaries;
- b) “agents”: intermediaries exclusively operating on behalf of one or more insurance or reinsurance undertakings;
- c) “collaborators”: employees or any other persons, even legal persons, appointed by intermediaries registered under sections A, B or C of the register of insurance and reinsurance intermediaries pursuant to article 27 of the LISF, performing insurance and reinsurance mediation activities even out of the premises where the aforementioned intermediary operates;
- d) “CENTRAL BANK”: the Central Bank of the Republic of San Marino, in its function as supervisory authority on the banking, financial and insurance system;
- e) “standardised insurance contracts”: contracts that do not provide for the right of amendment of the contract conditions established by insurance undertakings as well as, in case of issuance of policies through computer connections, contracts protected against internal interference within the intermediary's structure;
- f) “policyholder”: the natural or legal person entering an insurance contract;
- g) “supervisory fees”: duties provided for under article 3, paragraph 3 of the Delegated Decree no. 117 dated 06 November 2006
- h) “intermediary”: the entity, natural or legal person other than an insurance undertaking that professionally performs insurance or reinsurance mediation activities and is registered in the relevant register governed by this Regulation;
- i) “mediation”: the insurance and reinsurance mediation activity which, pursuant to article 26 of the LISF, consists in the presentation or proposal of insurance and reinsurance contracts or in the provision of assistance and consultancy aimed at such activities and, where provided for in the mediation mandate, in the execution of contracts or in the cooperation in the management or execution - specifically in case of accident claims - of the contracts entered into;
- l) “undertaking”: an insurance or reinsurance undertaking authorised pursuant to the LISF;
- m) “insurance undertaking”: company authorised to perform the activity referred to under letter G) of Annex 1 of the LISF;
- n) “reinsurance undertaking”: company authorised to perform the activity referred to under letter H) of Annex 1 of the LISF;

- o) “financial undertakings”: means the entities that professionally perform one or more of the activities specified in Annex 1 of the LISF;
- p) “resident undertaking”: an undertaking authorised pursuant to article 7 of the LISF to perform the activity pursuant to letters G) and/or H) of Annex 1 of the LISF, with its registered office located in the Republic of San Marino;
- q) “non-resident undertaking”: an undertaking authorised pursuant to article 75 of the LISF to perform the activity pursuant to letters G) and/or H) of Annex 1 of the LISF, operating in the Republic of San Marino by establishing a branch;
- r) “undertaking providing services without establishment”: an undertaking authorised pursuant to article 75 of the LISF to perform the activity pursuant to letters G) and/or H) of Annex 1 of the LISF, operating in the Republic of San Marino without a branch;
- s) “undertaking subject of mediation”: the insurance or reinsurance undertaking that confers intermediaries assignments aimed at performing insurance and/or reinsurance mediation activity;
- t) “Companies Law”: means Law no. 47 dated 23 February 2006 as subsequently amended and supplemented;
- u) “LISF”: Law no. 165 dated 17 November 2005, as subsequently amended;
- v) “LMS (learning management system)”: an application platform (or set of programmes) that enables exploiting multimedia technology and internet to provide e-learning courses and, in particular, user management, distribution of on-line courses, tracking on-line activities and analysing statistics;
- z) “intermediary's premises”: the offices or facilities where the intermediary operates intended as premises open to the public and appropriate for receiving the public;
- aa) “insurance brokers” or “brokers”: intermediaries operating upon the customer's assignment and not authorised to represent insurance or reinsurance undertakings;
- bb) “persons in charge of mediation activity”: natural persons who, within the company in which they operate, have management functions besides coordinating and monitoring insurance and/or reinsurance activity performed by the company;
- cc) “intermediary's offices”: the offices or facilities where the intermediary operates pursuant to Law no. 40 dated 31 March 2014;
- dd) “branch”: the permanent business offices without legal personality through which a foreign person, fully or partly performs the business thereof in the Republic of San Marino;
- ee) “Foreign country”: any Country other than the Republic of San Marino;
- ff) “Country of origin”: the Country in which the residence or registered office of the undertakings and intermediaries are located;
- gg) “Country of execution”: the Country, other than the country of origin in which they are registered, in which the intermediaries perform the insurance and/or reinsurance mediation activity;

- hh) “durable medium”: any instrument that enables the policyholder to store information personally directed thereto so that it can be easily recovered over an appropriate period of time for the purposes the information was meant for, and which enables an intact reproduction of the stored information;
- ii) “distance communication techniques”: any means that can be deployed to close a contract between the undertaking and policyholder without the physical and simultaneous presence of the aforementioned parties”;
- ll) “video conference”: a distance learning method through simultaneous participation and interaction between teachers and learners;
- mm) “webinar (o web-based seminar)”: a distance learning method through simultaneous participation and interaction between teachers and learners, as well as sharing learning material.

2. Abrogated

3. Except as otherwise specified, for the purposes of these provisions the definitions included in the LISF shall apply.

Article 2 – Legal basis and scope of application.

1. This Regulation is issued in compliance with the LISF and, specifically, with articles:
- a) 26, par. 2, according to which the CENTRAL BANK must regulate the cases in which the LISF is not applied as regards to the MEDIATION business;
 - b) 27, par. 3, according to which the CENTRAL BANK must establish a register of insurance and reinsurance INTERMEDIARIES which, pursuant to article 27, par. 1 of the LISF, are authorised to professionally perform insurance and reinsurance MEDIATION. Specifically, the CENTRAL BANK must regulate the creation and updating of the register, the forms of publication, registration procedures and requirements, and the cases for suspension and removal from the register;
 - c) 69, which provides that the rules of Part II, Title I, Chapter IV of the LISF governing transparency, fairness of conduct and protection of clients, also apply, where compatible and in accordance to the procedures established by the CENTRAL BANK, to INTERMEDIARIES;
 - d) 75, which lays down that, in order to perform one or more reserved activities under the LISF in the Republic of San Marino by means of INTERMEDIARIES in accordance to the provisions of the CENTRAL BANK, foreign persons must obtain an authorisation from the CENTRAL BANK;
 - e) 76, par. 3, which provides that the CENTRAL BANK may prohibit the offer in the Republic of San Marino of financial instruments, other savings collection instruments or foreign insurance contracts that do not fall in the categories envisaged by the laws of San Marino or do not have the characteristics required by the supervisory authorities.

2. This Regulation governs the professional performance of mediation business within the territory of the Republic of San Marino, and the cross-border performance of such activity through a branch. The mediation activity performed by insurance agents and brokers is considered a financial activity, whose licensing is regulated by Law no. 40 dated 31 March 2014 as subsequently amended and supplemented. Non-resident insurance agents and brokers are authorised to perform the mediation activity solely through a branch pursuant to article 4 of Law no. 166 dated 16 December 2013 as subsequently amended and supplemented.

3. Abrogated

Article 3 – Exclusions.

1. Pursuant to article 26, par. 2, of the LISF, the activities of the persons proposing services which may be related to MEDIATION business are excluded from the scope of application of this Regulation, without prejudice to the obligations provided for in article 19, paragraphs 1, 2 and 10, provided that all the following requirements are met:

- a) the activity is not an insurance contract pursuant to articles 115, 116 and 117 of the LISF;
- b) the main professional activity of the person proposing the contract is not MEDIATION business;
- c) the insurance is complementary to the product or service provided and covers risks of deterioration, loss or damage to the assets provided by the person proposing the contract, or the damage to or loss of luggage, and other risks related to the journey booked with the person proposing the contract, provided that the cover is ancillary to the main insurance covering the risks related to such journey;
- d) the amount of the premium does not exceed the amount of one hundred Euro, and the overall term of the insurance contract, including any renewals, does not exceed five years.

2. In addition to the cases outlined in the previous paragraph and notwithstanding the obligations provided for in article 19, paragraphs 1, 2, 3, 4 and 10, the offer of insurance contracts is equally excluded from the scope of application of this Regulation when the insurance contracts are ancillary to any loan granted by persons authorised for this purpose under the LISF and the insured risk thereof refers to events that are related to assets pledged as guarantee or events that may jeopardise the capability of the client to repay a loan, provided that the execution of the insurance contract is not a condition required for granting the loan and that the amount of the annual premium does not exceed one hundred Euro.

3. The following shall be deemed excluded from the scope of application of this Regulation:

- a) activities directly performed by insurance undertakings and their employees, with the exception of articles 19 and 20;

- b) activities directly performed by reinsurance undertakings and their employees, with the exception of article 19, paragraph 1;
- c) strictly informative activities provided on supplementary grounds within another activity still assuming that the purpose of this activity is not aimed at assisting the insured party to close or execute an insurance contract.

PART II

REGISTER OF INSURANCE AND REINSURANCE INTERMEDIARIES

TITLE I

CREATION, CONTENT AND PUBLICATION OF THE REGISTER

Article 4 – Creation of the register of insurance and reinsurance INTERMEDIARIES.

1. The register of insurance and reinsurance intermediaries is created, in which any natural persons resident in the Republic of San Marino and any legal persons with registered office and business office in the Republic of San Marino may be registered, subject to prior verification of the requirements provided for in this Regulation.
2. The natural persons with residence in foreign Countries, and the legal persons with registered office and business office in foreign Countries, can be registered in the register of insurance and reinsurance intermediaries as branches of foreign businesses under this Regulation and in compliance with article 13 of Law no. 40/2014 on license to perform financial activity in the Republic of San Marino.
3. In the subsequent articles of this Regulation, the term register refers to the definition subject of the this article.

Article 5 – Content of register.

1. The register is comprised of the following Sections:
 - a) Section A – Natural persons and sole proprietorships;
 - b) Section B – Companies;
 - c) Section C – Financial undertakings.

Non-operative intermediaries and suspended intermediaries are also indicated in the sections of the register. Registration under one of the sections does not allow the intermediary, and - in case of companies - the natural persons directly or indirectly controlling the company, the legal representative, all managers and the director general if appointed, to be simultaneously registered in any of the other Sections.

2. For each person registered under Section A, the following must be specified:

- a) registration number;
- b) registration date;
- c) surname, first name or name of the sole proprietorship;
- d) place and date of birth of the natural person or of the principal of the sole proprietorship;
- e) mediation activity performance method;
- f) economic operator code issued pursuant to Law no. 40/2014, if performing financial activities;
- g) specification of the person in charge of mediation activity, if operating in a company registered in the register;
- h) address of the main office and of any branches;
- i) name of the insurance undertakings on whose behalf the mediation activity is performed, or with whom the broker holds collaboration agreements, if performing a financial activity;
- l) any measures adopted by the CENTRAL BANK.

3. For each person registered under Section B, the following must be specified:

- a) registration number;
- b) registration date;
- c) name of the company;
- d) type of mediation activity performed, i.e. whether an insurance and/or reinsurance activity;
- e) mediation activity performance method;
- f) identification details of the persons in charge of the mediation activity and registration number
- g) identification details of the legal representative and, if appointed, of the managing director and the director general;
- h) economic operator code issued pursuant to Law no. 40/2014;
- i) address of the main office and of any branches;
- l) name of the insurance undertakings on whose behalf the mediation activity is performed, or with whom the broker holds collaboration agreements;
- m) any measures adopted by the CENTRAL BANK.

4. For persons registered under Section C, the following must be specified:

- a) registration number;
- b) registration date;
- c) name of the company;
- d) registration number in the Register of authorised parties held with the CENTRAL BANK according to article 11 of the LISF, in which additional information is available;
- e) identification details of the persons in charge of the mediation activity and registration number;
- f) name of the insurance undertakings on whose behalf the mediation activity is carried out;

- g) any measures adopted by the CENTRAL BANK.

Article 6 – Publication of the register.

1. The register is published on the *web* site of the CENTRAL BANK (www.bcsm.sm).
2. Upon registration, the CENTRAL BANK issues to the intermediaries a specific certificate. Additional certificates are issued upon request by interested intermediaries.
3. The CENTRAL BANK guarantees the update of the data contained in the register based on the notifications sent by the intermediaries pursuant to articles 23 and 24 as well as the results of the inspections and verifications carried out by the bank.

TITLE II

REQUIREMENTS AND PROCEDURE FOR REGISTRATION

Article 7 – Requirements of good repute.

1. Registration in Sections A and B of the register requires, besides the suitability requirements referred to in article 1, paragraph 1, point 9, letters a) and c) of the COMPANIES LAW, the following requirements of good repute:
 - a) except in the event of rehabilitation, never have been definitively convicted for serious offences entailing detention for crimes against property and against the public economy, except for those subject to sanctions, and the special offences envisaged in LISF and in the legislation currently in force governing the prevention of and fight against money-laundering and terrorism financing, as well as the cross-border transport of cash and similar instruments;
 - b) except in the event of rehabilitation, never have been definitively convicted for offences considered to be offences against law and order, against public faith or of private persons against the public administration, for which a sentence of imprisonment for no less than one year has been issued and not suspended;
 - c) except in the event of rehabilitation, never have been definitively convicted for offences of any other nature for which a sentence of imprisonment for no less than two years has been issued and not suspended;
 - d) never have held appointments in administration, management or auditing in financial undertakings subject, in the past five years, to any of the extraordinary proceedings referred to in Part II, Title II, Chapters I and II of LISF.

2. The above-mentioned requirements of good repute must be met also with reference to the absence of any equivalent final convictions (letters a, b and c) or to the absence of any impediments (letter d) applied in any jurisdictions other than in San Marino.

3. The requirement referred to in paragraph 1 letter d) is deemed to be lacking when the office has been covered for at least 18 months in the period of 24 months before the adoption of the decree and the party has been subject to administrative sanctions, with reference to the same prerequisites of the decree.

4. Compliance with the requirements under paragraph 1 is proven through:

a) submission of the general certificate of criminal records, certificate of pending proceedings, civil certificate or certificate of non-bankruptcy, issued by the competent authorities of the place where the person resided for the greatest part of the last five years, in compliance with the criteria of “substantial equivalence” referred to in article 1, paragraph 2 of the COMPANIES LAW;

b) submission, as regards to all of the remaining jurisdictions, of the self-certification of the concerned party given before a Public Notary of San Marino, using the model attached to this Regulation under letter A.

5. With a view to verifying the territorial jurisdiction of the public authorities having issued the certificates referred to in the fourth paragraph, said certificates shall be accompanied by a copy of a valid identity document.

6. The certificates referred to in the fourth paragraph, letter a), may also result from a single cumulative document and must:

a) be submitted in original or copy certified by a Notary public in San Marino;

b) be dated no more than six months prior to the date of filing;

c) be prepared in Italian or, if prepared in a foreign language, be accompanied by a sworn translation into Italian;

7. The possible absence of one or more certifications that are “substantially equivalent” in the foreign legal system where one's residence is based, for the purposes referred to in the previous paragraph 4, letter a), shall be:

- certified by a “legal opinion” compliant with the requirements referred to in the previous paragraph 6;

- replaced by a specific authenticated self-certification, with the content requested by the CENTRAL BANK.

8. Should the party requesting registration in the register be a company, the requirements established in the previous paragraph 1 shall be met by the persons in charge of mediation activity, the legal representative and, if appointed, the managing director and director general. As concerns application for registration under section C, the requirements provided for under the previous paragraph 1 shall be met by the persons in charge of mediation activity.

Article 8 – Professional requirements.

1. In order to be registered in Sections A and B of the register, the applicant shall satisfy the following professional requirements:

- a) education qualification not lower than a high school diploma;
- b) having performed, during the five years prior to the application for registration, a working activity related to the duties and responsibilities regarding MEDIATION activity for an aggregate of at least two years with an intermediary included in Section A or B of the register, or with a person included in Section C of the register, or with a foreign person authorised in the Country of residence thereof to carry out activities similar to MEDIATION activity, or with an insurance undertaking, including a foreign insurance undertaking.

2. As an alternative to the requirement envisaged under letter b) of the previous paragraph, the license to conduct MEDIATION activity in a Member State of the European Union according to a national law implementing the Directive 2002/92/EC, will also be considered as a satisfactory professional requirement.

3. Any persons registered in the register of Financial Promoters referred to under article 25 of the LISF, may apply for registration under Section A even if the requirements outlined in letter b) of paragraph 1 above are not met. In this case, they are approved only to carry out MEDIATION activities related to the insurance contracts referred to under articles 116 and 117 of the LISF.

4. Should the party applying for registration in the register be a company, the requirements established in this article shall be met by the persons in charge of mediation activity, the legal representative and, if appointed, the managing director and director general. As concerns application for registration under section C, the requirements provided for under the previous paragraph 1 shall be met by the persons in charge of mediation activity.

5. For the purposes of the verification of the requirements specified in the paragraphs above, the following documents must be submitted in addition to the *curriculum vitae*:

- a) education qualification certificate or a certified copy thereof;
- b) a statement released by the entity where the functions envisaged in article 8, par. 1, letter b) above were performed, certifying the professional experience of the applicant, specifically with regard to the tasks actually performed and the period of time in which they were performed; the CENTRAL BANK reserves the right to assess other certificates, even if not released by the entity indicated in this letter, from which the same circumstances may be inferred;

- c) as an alternative to point b) above, documentation certifying the approval to perform any activities similar to MEDIATION in a Member State of the European Union, according to a national law implementing the Directive 2002/92/EC.

Article 8-bis – Business plan and report on the organisational structure.

1. The application for the registration under Sections A and B of the register, by persons planning to perform financial activities, prepared according to the model set forth in Annex B, must also contain a programme which outlines the initial activity, its lines of development, the objectives pursued, the entrepreneurial strategies which will be followed to achieve them, together with any other element which might allow proper assessment of the initiative.

2. The business plan must outline at least the following:

- a) the type of insurance products for which the mediation activity will be carried out;
- b) the type of clients for which services and products are intended;
- c) the methods to be applied to perform the activity (agent, insurance broker) specifying any relationships with other insurance intermediaries involved in the organisation of the offered services, enclosing the relative documentation;
- d) as concerns the organisational structure and the identification details of collaborators - if any - enclosing any agreements entered with the latter from which it is observed that the activity will be exclusively performed under the mediation assignments or collaboration agreements that the companies allocated to the person applying for registration;
- e) mediation assignments or collaboration agreements allocated by undertakings with registered office within the Republic of San Marino or established in the Republic of San Marino, enclosing the relative documentation;
- f) mediation assignments or collaboration agreements allocated by undertakings operating under the regime for the provision of services without any establishment that have met the procedure requirements under the subsequent Title II, enclosing the relative documentation;
- g) surname, name and registration number under section A of the register of the person/s in charge of mediation activity.

3. The intermediaries subject of paragraph 1 shall notify the CENTRAL BANK of any subsequent changes to the business plan by means of an application for authorisation. The provisions subject of article 10 governing the cancellation and suspension of the deadlines for the notification of acceptance or rejection of the application shall apply.

Article 9 – Application for registration.

1. The application for the registration, prepared according to the model indicated in Annex B and accompanied by the documents specified in the aforementioned Annex, must be forwarded to the Supervision Department of the CENTRAL BANK of the Republic of San Marino.

2. If the registration is requested by a natural person, the application must be signed by the individual him/her self. If the registration is requested by a company, the application must be signed by the legal representative, for companies already incorporated, or, for companies yet to be incorporated, by one of the persons who will perform functions in such company for which the requirements provided for under articles 7 and 8 above are envisaged.

3. The application is deemed to have been received on the date in which it was delivered directly to the offices of the CENTRAL BANK or on the date on which it was received by the CENTRAL BANK, if sent by registered letter with acknowledgement of receipt.

4. As concerns performing mediation activities as a financial activity, the following shall be required in any case:
 - a) natural persons must have met the obligation of entering a civil liability insurance policy contract, in compliance with provisions under article 17 of this Regulation and/or be comprised in a policy cover entered by the companies on behalf of which they will perform the activity;
 - b) companies must have met the obligation of entering a civil liability insurance policy contract, in compliance with provisions under article 17 of this Regulation;
 - c) companies must have appointed at least one natural person registered in the register as the person in charge of mediation activity. Should the mediation activity duties be assigned to several persons, the obligation of registration shall be deemed to refer to each one of them. Companies shall assign mediation activity duties to an appropriate number of persons, considering the amount and complexity of the performed activity.

5. Registration approval under section C is in any case subject to registration in the Register of Authorised Entities kept by the CENTRAL BANK pursuant to article 11 of the LISF.

Article 10 – CENTRAL BANK provisions.

1. Within thirty days from the date of receipt of the application, the CENTRAL BANK, having verified the existence of the requirements specified in this Title, issues a decision for the acceptance or rejection thereof.

2. The period provided for in the preceding paragraph is suspended if the documentation is incomplete or if the applicant sends, on his/her own initiative, new documents to supplement or amend those previously transmitted. The CENTRAL BANK notifies the interested party of the suspension of such period. A new term for a period equal to that interrupted starts as from the date of receipt of the missing documents, supplements or amendments.

3. The deadline provided for under paragraph 1 is suspended if the CENTRAL BANK requests additional information to supplement the documentation submitted, setting a deadline for the submission of such information and warning that failure to provide the required supplementary information will lead to the application being considered as withdrawn.

4. Should the application be accepted, the CENTRAL BANK will issue a certificate to enable the applicant to be granted the license to perform the financial activity provided for by the Law no. 40 dated 31 March 2014, issued by the Industry, Trade and Crafts Office – Economy Department of the Republic of San Marino. Should the registration application of a natural person as the persons in charge of mediation activity be accepted, the CENTRAL BANK does not require the acquisition of a licence to perform a financial activity.

5. Once the documents referred to under paragraph 4 above are received, the applicant must transmit to the CENTRAL BANK a copy of the licence granted to perform a financial activity. In the event that more than six months have elapsed from the issuance of the approval provided for under paragraph 4 above, the certificates proving compliance with the requirements of good repute pursuant of article 7 must be renewed.

6. Having verified the concurrence of the persons regarding whom it verified compliance with the requirements of good repute and professionalism, and the completeness of the supplementary documentation provided for in the previous paragraph, the CENTRAL BANK registers the applicants in the public register and notifies them of the successful application, indicating the date of entry into force and the allocated number. In case of issuance of an authorisation or rejection measure and the withdrawal of the application, pursuant to the paragraph 1 and 3 above, of a natural person as the person in charge of mediation activity, the CENTRAL BANK shall also notify the registered companies in question.

7. As concerns application for registration, natural persons and companies that fail to meet the obligation of holding a civil liability insurance policy, provided for by article 9 paragraph 4 of this Regulation are registered under section A or B of the register as inoperative, given that they cannot perform the mediation activity.

8. The CENTRAL BANK notifies the registration to the public administration departments involved.

Article 10 bis - Conditions for mediation through members of staff or collaborators

1. Intermediaries registered under section A, B or C of the register can operate through their members of staff regarding whom they must have verified the following:

- a) compliance with the requirements pursuant to article 7;
- b) meeting professional knowledge and skills requirements appropriate to the activity carried out and the contracts subject of mediation, acquired by attending training courses held or organised by the intermediaries on behalf of whom they operate or relative undertakings subject of mediation, lasting not less than 30 hours and using the methods provided for by article 10 quater.

2. The intermediaries under paragraph 1:

- a) periodically verify the upholding of the requirements provided for by letter a) of the same paragraph and abstain from using members of staff who have been deemed inadequate as long as this condition persists;
- b) ensure that the members of staff meet professional knowledge and skills requirements appropriate to the activity carried out and the contracts subject of mediation, acquired by attending training courses held or organised by the intermediaries on behalf of whom they operate or the undertakings subject of mediation, lasting not less than 30 hours per year, as from the date of commencement of activity;
- c) in case of a company, they ensure that the members of staff thereof are managed, coordinated and supervised by the persons in charge of mediation activity.

3. Pursuant to article 17 paragraph 1, the intermediaries subject of paragraph 1 keep the documentation proving the verification and upholding of the requirements subject of this article.

4. The provisions subject of the previous paragraphs shall also apply to collaborators of intermediaries registered in sections A or B of the register.

5. Intermediaries registered under section A or B of the register have the responsibility of the activities performed by the collaborators outside the premises where the intermediary operates.

Article 10 ter - Conditions for distribution by intermediaries registered under letter C of the register

1. Distribution of insurance contracts may be carried out provided that the assignment allocated by the undertaking subject of mediation limits the operation of the members of staff and collaborators to the sole mediation of standardised insurance contracts.

2. Distribution of contracts other than standardised insurance contracts can be carried out directly in the premises solely by the persons in charge of mediation activity, if provided for by the assignment allocated by the undertaking subject of mediation.

3. Intermediaries registered under section C of the register can exclusively utilise, as collaborators, persons registered in the section of the register of financial promoters regarding employees of authorised entities, pursuant to article 7, paragraph 3, of the Regulation no. 2014-01.

Art. 10 quater – Professional update.

1. Natural persons registered in the register, members of staff and collaborators of the intermediary are required to periodically update their professional skills. To this end, they attend courses lasting not less than 60 hours in a two-year period, held in a classroom or through video conference, webinar and e-learning. A minimum aggregate of 15 hours of update, including at least 7 hours in a classroom, are carried out every calendar year. The update is carried out starting from the date of registration in the register or, as concerns members of staff, starting from the date of commencement of the activity. In any case, the update is carried out as the reference regulations develop.

2. Courses held through video conference provide for simultaneous presence and video-audio interaction in real-time between teachers and learners connected via cable, over the air or internet, as well as between learners even asynchronously. Courses held via webinar through the internet provide for the simultaneous presence and real time audio-video interaction, even through a web-cam and microphone, between teachers and learners. These courses are characterised by the possibility of viewing slides and the availability of a virtual work space, where all participants can share texts, images, tables and other information. Courses held in e-learning mode utilise dedicated platforms such as LMS.

3. Professional update aims at acquiring skills and abilities required to provide professional advice, evaluate the appropriateness of products with respect to the customer's needs as well as assist the customer in the management of the relationship, even at pre-contractual level.

4. The update regards legal, technical, tax and financial concepts on insurance and reinsurance activities of the undertakings and intermediaries.

5. Courses subject of paragraph 1 are organised by the intermediaries performing financial activities or undertakings subject of mediation, they are held by specialised teachers with proven experience in the insurance industry and they end with a test for assessing the achieved skills followed by the issuance of a certificate proving the achievement of professional update upon passing the test. The certificate, signed by the participant of the course and by the person in charge of the organisation that provided the training,

must show the number of hours of participation in the course, the topics addressed, the names of the teachers and the positive result of the final test.

6. Through the Cbsm Foundation, the CENTRAL BANK periodically organises the training courses subject of paragraph 1, open to anyone interested in the subject, regardless of the aim of meeting the annual professional update requirements.

7. Natural persons registered in the register and temporarily inoperative do not have the obligation, during the inoperative period, to undertake the periodic professional update subject of paragraph 1.

8. The persons subject of paragraph 1 are exempted from the professional update provided for by the same paragraph in case of:

- a) pregnancy, delivery, fulfilling duties related to motherhood or fatherhood in case of minors;
- b) serious illness or injury.

9. In case of pregnancy, the exemption lasts up to one year as from the date of delivery, without prejudice to further exemptions due to proven health reasons. Exemption based on fulfilment of duties related to motherhood or fatherhood in case of minors, serious illness or injury is limited to the period of duration of the impediment. Once a period of one year has elapsed from the last professional update, the persons subject of paragraph 1 must have undertaken an annual professional update with level at least equivalent to the level provided for by the aforementioned paragraph in order to resume the activity.

TITLE III

SUSPENSION AND REMOVAL FROM THE REGISTER

Article 11 – Abrogated.

Article 12 – Suspension ex officio.

1. The CENTRAL BANK shall order the suspension from the register in the following cases:

- a) breaches of laws or of this Regulation;

- b) as regards natural persons, in case of loss of the conditions for performing the activity thereof, following the verification of the prerequisite thereof;
- c) as regards companies, suspension or removal of all persons who had been appointed as the persons in charge of mediation activity from the register;
- d) as concerns companies registered under section B, without prejudice to the provisions subject of the previous letter c), termination of the assignment or loss of requirements for the registration of the legal representative, except for cases where the CENTRAL BANK has already verified the existence of the requirements provided for by articles 7 and 8 regarding the person appointed as the vice of the legal representative of the company;
- e) as concerns companies registered under section B, without prejudice to the provisions subject of the previous letter c), termination of the assignment or loss of requirements for the registration of the managing director or the director general, if appointed, except for cases where a legal representative, regarding whom the CENTRAL BANK has already verified the existence of the requirements provided for by articles 7 and 8, holds the position;
- f) suspension or cancellation of the license referred to under article 10, paragraph 4;
- g) as regards intermediaries subject of section C, in case of application of the procedure provided for by article 10, paragraph 2, of the LISF;
- h) failure to perform the mediation activity for more than twelve consecutive months, following the verification of the prerequisite thereof.

2. In the case provided for by letter b), the natural persons are recorded in the register as suspended intermediaries. In the cases referred to under letters c), d) and e) of the previous paragraph, the suspension remains effective until the intermediary fills the vacant offices with persons for whom the CENTRAL BANK had already verified compliance with the requirements provided for under articles 7 and 8. However, should the intermediary fail to do so within six months from the start of the suspension, the CENTRAL BANK shall order the cancellation ex officio. In the case envisaged in letter f), g) and h) of the preceding paragraph, the suspension remains effective until the authorisations or licenses and the performance of the activity are reactivated. In the case envisaged in letter a), the CENTRAL BANK's provision specifies the duration of the suspension as not exceeding six months. Should such period have elapsed without the intermediary having rectified the breach or paid the due penalties, the CENTRAL BANK shall order cancellation ex officio.

Article 13 – Effects and publication of the suspension.

1. During the period of suspension from the register, the intermediary is barred from performing mediation activity, and is registered in the register as a suspended intermediary or inoperative due to a suspension provision.

2. If provided for by the mediation assignment or by the agreement of collaboration with the undertaking subject of mediation, the suspended intermediary can collaborate in the management or execution of contracts entered prior to the suspension thereof, specifically in the event of claims.

2. The suspension procedures and the duration thereof are noted in the register until the end of the suspension period.

Article 14 – Removal upon request of a party.

1. The intermediaries may request the cancellation from the register by sending to the Supervision Department of the CENTRAL BANK of the Republic of San Marino a registration application waiver enclosing a valid identification document of the natural person in question or of the legal representative of the company.

2. The CENTRAL BANK, within thirty days from the receipt of the request, shall issue an order providing for the cancellation. If a sanctioning procedure against the intermediary is currently under way, the CENTRAL BANK shall order, unless it has already done so for a different reason, the suspension from the register, and issue the order after the conclusion of the sanctioning procedure.

Article 15 – Cancellation ex officio.

1. Besides the cases provided for in article 12, par. 2 above, the CENTRAL BANK shall order the cancellation ex officio of an intermediary from the register in the following cases:

a) as regards natural persons, the loss of the requirements subject of article 7 or failure to communicate the loss of any of the requirements within 5 days from the occurrence of the event, following the verification of the prerequisite thereof;

b) breach of the provisions set forth in article 18 below or other serious violations of the law or of the other obligations envisaged in this Regulation. Seriousness may also result from the reiteration of violations already sanctioned with the suspension under article 12, par. 1, letter a);

c) failure to perform the mediation activity for at least two years, following the verification of the prerequisite thereof;

d) cancellation of the license referred to under article 10, paragraph 4;

e) termination of the license referred to under article 10, paragraph 4, as regards companies subject of winding-up procedure;

f) as regards companies registered under section C, in the event of cancellation of authorisation to perform their activities, pursuant to article 10 of the LISF;

g) solely as regards intermediaries registered under section A or B, should the insurance guarantees pursuant to article 17 lack effectiveness, or in the event of non-renewal thereof, following the verification of the prerequisite thereof also by requesting information from the companies that provided the cover;

h) in case of failure to pay the supervisory fees, after receiving a warning from the CENTRAL BANK and once the deadline to see to such requirements has elapsed;

i) in case of situations incompatible with the maintenance of the registration, such as:

- location of the business office of the intermediary at the business office of another intermediary registered in the public register, unless an exclusive collaboration agreement has been entered therewith;
- location of the business office of the intermediary at the business office of other entities performing industrial, services, handicraft and commercial activities;
- reiterated failure to collect letters especially those coming from the CENTRAL BANK, following the verification of the prerequisite thereof.

2. An intermediary cancelled from the register pursuant to paragraph 1 can be reinstated after 12 months from the date of cancellation, on condition of meeting the requirements provided for registration in the due section. The CENTRAL BANK sees to the reinstatement in the register as provided for by article 10.

3. The CENTRAL BANK shall see to the cancellation ex officio of the natural persons in charge of mediation activity in case of notification of termination of relations with the company, or should the company in question be cancelled from the register. Natural persons cancelled pursuant to this paragraph shall be registered again in compliance with the provisions provided for by article 10.

Article 16 – Procedure for the issue ex officio of suspension and cancellation orders.

1. The CENTRAL BANK notifies the intermediary in writing by means of a registered letter with acknowledgement of receipt, of any violations detected or other assumptions, specifying the underlying facts and documents, and grants a period of no less than sixty days to receive any counter-claims. The impossibility to deliver the registered letter due to the unavailability of the intended recipient does not affect the continuation of the proceeding.

2. Within thirty days from the expiry of the period set in the previous paragraph, the CENTRAL BANK, after having assessed the counter-claims, issues an order with which, should it deem that the allegations must not be dismissed, it orders the suspension for a specified period of time or the cancellation from the register.

3. The CENTRAL BANK notifies the interested parties about the orders issued under the paragraphs above. The intermediary is required to complete the transactions for which it has already collected the premiums or has received amounts to be paid to the clients in order to settle a claim.

4. The procedure envisaged in this article does not apply to the suspension provided for in Art. 12, paragraph 1, letters c), d), e) and f), and to the cancellation provided for in Article 15, paragraph 1, letter d), e) and f)

which are ordered as soon as the underlying breach is verified, and in particularly urgent cases regarding which the CENTRAL BANK decides to initiate the proceeding referred to in art. 34, letter f) of Law no. 96 dated 29 June 2005.

5. The CENTRAL BANK notifies any suspensions and cancellations to the Public Administration departments involved.

PART III

RULES OF ORGANISATION AND CONDUCT

Article 17 – Internal organisation and capital separation.

1. In order to allow the CENTRAL BANK to carry out its verifications, also with regard to the anti-money laundering regulation, the intermediaries must keep the following documentation at their main office for at least 10 years:

- a) assignment allocations, agreements regarding the performance of the mediation activity and proxies (if any);
- b) the copy of contracts closed through them and the relative documentation;
- c) insurance offers and other documents signed by the policyholders;
- d) documentation regarding the professional update carried out, including the one potentially organised by the undertakings subject of mediation;
- e) proof of the persons performing the mediation activity as members of staff operating within the offices of the intermediary, the professional update undertaken by them and documentation regarding verifications carried out concerning compliance with the requirements of good repute subject of article 7;
- f) proof of the persons performing the mediation activity as collaborators of the intermediary, the professional update undertaken by them and documentation regarding verifications carried out concerning compliance with the requirements of good repute subject of article 7;
- g) in case of companies, proof of the natural persons in charge of mediation activity, the professional update undertaken by them and documentation regarding compliance with the requirements of good repute subject of article 7;
- h) the documentation suitable to prove compliance with the notification or submission obligations provided for by article 19;
- i) the accounting documents related to their mediation activities.

2. The documentation subject of paragraph 1 can also be stored in magnetic media, microfilming, optical or digital media or in any other equivalent technical form. In case of termination of the mediation assignment,

the obligation to keep all the documentation subject of paragraph 1 letters b) and c) loses effectiveness once the documentation in question is handed back to the undertaking.

3. Premiums paid to the intermediary and the amounts allocated to compensation or payment of sums owed by insurance undertakings - if settled by the intermediary - represent an independent and separate asset with respect to that of the intermediary, and they must be accounted in a separate bank account opened in an entity authorised to perform banking activities pursuant to article 11 of the LISF, owned by the intermediary, specifically in the capacity of the intermediary.

4. For the purposes subject of paragraph 3, the amounts in question shall be deposited in the separate bank account with immediate effect and not beyond ten days after the date on which the premiums were received by the intermediary in any case. Premiums can be paid net of the commissions owed to the intermediaries should this method be approved by the undertakings subject of mediation. The intermediary shall withdraw, from the aforementioned separate bank account, solely the amounts allocated to compensation or payments owed by the insurance undertakings. Intermediaries operating for several undertakings shall adopt procedures suitable to ensure, even during execution procedures, the allocation of the sums to the single undertakings subject of mediation and the respective insured parties. Intermediaries are barred from simultaneously depositing premiums and amounts allocated to compensation or any other insurance services owed by the undertakings in any bank account other than the separate bank account.

5. The deposits subject of paragraphs 3 and 4 shall apply to insurance brokers in the event of any of the following conditions:

- a) the brokers are authorised - by an insurance undertaking - to collect the premiums and/or pay the amounts owed to the insured parties or anyone else entitled thereto, according to an explicit provision provided for in the agreement entered with the undertaking in question;
- b) if the agreement subject of letter a) was entered with another insurance intermediary and rectified by the undertaking subject of mediation of the latter intermediary;
- c) in case of a policy undertaken as a co-insurance, the collection and/or payment activities provided for in letter a) are provided for in the agreement signed with the delegatee undertaking.

6. Before starting operations, the intermediary performing the financial activity, registered under section A or B of the register, must enter a civil liability insurance policy, with an at least 1 million Euro limit of liability per claim and an aggregate of 1.8 million Euro.

7. The policy subject of paragraph 6 must meet the following minimum requirements:

- a) guarantee civil liability arising from damages incurred by third parties during the performance of the mediation activity due to negligence or professional errors of the intermediary or due to negligence,

professional errors and infidelity of its employees, members of staff or collaborators with respect to whose activities he/she shall be held liable. Clauses limiting or excluding this cover are not admitted;

b) as concerns companies to be registered under section B, the insurance cover must also extend to the legal representatives, as well as managing directors and director generals, if appointed, as well as the persons in charge of mediation activity;

c) cover full compensation for damages incurred over the period of performance of mediation activity, even though reported over the three years subsequent to the termination of effectiveness of the cover;

d) the undertaking cannot reject the introduction of income allowances or overdrafts with respect to damaged third parties designated to receive, within the guaranteed limits of liability, full compensation for the incurred damage. The undertaking reserves the right of refund with respect to the insured party;

e) guarantee cover in case of establishment in a foreign Country.

8. The policy shall be effective from the date of registration and expires on 31 December. One-year policies expire on 31 December and must be renewed on yearly basis.

9. Intermediaries perform the tasks and meet the obligations required thereof according to and within the limits of the mediation assignment allocated thereto or the collaboration agreement entered with the undertaking.

Article 18 – Prohibition from entering into insurance contracts on behalf of unauthorised foreign insurance undertakings.

1. Intermediaries are prohibited from concluding any insurance contracts in which the undertaking to cover a risk or to provide a service is assumed by foreign insurance undertakings not authorised to perform the insurance activities referred to in article 75 of the LISF. .

2. Article 65 of the LISF shall be applied to the contracts concluded in violation of the provisions contained in the preceding paragraph.

Article 19 – Rules of conduct and transparency towards clients.

1. The INTERMEDIARIES must behave in a diligent, correct and transparent manner and are required to keep confidential the information received from the clients or which are in any way available to them by reasons of their activity.

2. The INTERMEDIARIES, also based on the information provided by the policyholder, must propose or suggest contracts which are adequate to the needs of the client, with reference to the information provided by the latter, and must provide a clear and easy to understand summary factsheet, which should be explained

to the policyholder in advance, containing information on the insurance undertaking and describing the key features of the contract, the costs, obligations of the assured and those of the insurance undertaking. In particular, this document must show the most unfavourable or restrictive conditions for the client.

3. With reference to life insurance contracts, the INTERMEDIARIES must, in particular, request information on the personal characteristics of the policyholder, specifically with reference to age, work, family components, financial and insurance situation, risk appetite and expectations with reference to the execution of the contract. in terms of coverage, duration and possible financial risks connected to the contract to be concluded.

4. Any refusal to provide one or more of the information requested must be evidenced in a specific declaration to be attached to the proposal signed by the policyholder, which must contain a specific statement warning that the policyholder's refusal to provide one or more of the information requested shall hinder the ability to identify an adequate contract suitable to his/her needs.

5. The INTERMEDIARIES who receive requests for insurance contracts which are not adequate to the features specified under paragraph 3 above, must inform the policyholder of this fact and specify the underlying reasons. The information provided, including the reasons underlying such inadequacy, must be evidenced in a specific declaration signed by the policyholder and the INTERMEDIARY. The contract may be concluded if the policyholder expressly confirms his/her intentions.

6. At the first meeting in which an insurance contract is proposed, the INTERMEDIARY must give to the client a document containing the following information, and keep a copy thereof signed by the client as acknowledgement of receipt:

- a) surname and name of the INTERMEDIARY, if a natural person; the name of the company and the name and surname of the legal representative of the INTERMEDIARY, if this is a company;
- b) address of the registered office and of any other business offices of the INTERMEDIARY;
- c) the registration number recorded in the register held by the CENTRAL BANK and the indication that such register is public and may be consulted also on the *website* of the CENTRAL BANK (www.bcsm.sm);
- d) how the INTERMEDIARY may be contacted, including an e-mail address, if any;
- e) if the insurance undertaking whose contracts are being proposed, or one of its parent companies, holds a direct or indirect equity interest of more than 10% in the share capital or voting rights of the INTERMEDIARY, if the latter is a company;
- f) the existence of any contractual obligations or other business relations with the insurance undertakings whose contracts are being proposed;

- g) any relationships with other INTERMEDIARIES in the register, such as the existence of common shareholders or directors, specific cooperation arrangements or other situations which may lead to a conflict of interest with the client.

7. If requested by the policyholder, or if an immediate cover of the risk is required, the information specified in the preceding paragraph may be provided orally. In this case, the policyholder must receive, not later than three days from the execution of the contract, such information on paper or other durable medium.

8. Without prejudice to the obligations resulting from anti-money laundering regulations, before gathering any subscriptions or instructions, the INTERMEDIARY must verify the identity of the client and, after the subscription, deliver to the client a copy of the contracts and of any other instrument or document signed.

9. Without prejudice to the anti-money laundering regulations, the INTERMEDIARY may collect from the client any amounts in cash as payment for the premiums, provided that a receipt is simultaneously released with reference to such payment.

10. The payment of a premium made in good faith to the INTERMEDIARY or to its agents is considered as made directly to the insurance undertaking. Except where the contrary may be proven by the company or by the INTERMEDIARY, the amounts payable to the insured persons and to any other persons entitled to the insurance services are considered as actually received by the beneficiaries only upon issue of a written receipt.

Article 20 – Cold-calling and DISTANCE COMMUNICATION TECHNIQUES.

1. The INTERMEDIARIES registered under Section A and Section B of the register may carry out MEDIATION activities also outside the locations specified in the register, as well as by availing themselves of DISTANCE COMMUNICATION TECHNIQUES.

2. The rules of conduct and transparency towards the clients set forth in this Regulation also apply to the cases where the MEDIATION is carried out through cold-calling or by means of DISTANCE COMMUNICATION TECHNIQUES. In particular:

- a) the exchange of information must take place in a clear and intelligible manner, according to adequate procedures with respect to the DISTANCE COMMUNICATION TECHNIQUES used;
- b) any exchange of documents may take place also by means of DISTANCE COMMUNICATION TECHNIQUES, provided that such techniques allow the client to obtain the documents on a durable medium.

3. Except where the client has requested an immediate cover of the risk, which must be evidenced by a specific declaration signed by the client or be proven by means of procedures which are compatible with the DISTANCE COMMUNICATION TECHNIQUES used, the effectiveness of the contract concluded through cold-calling or by means of DISTANCE COMMUNICATION TECHNIQUES is suspended for a period of fourteen days from the date of signing by the client. Within this period, the client may notify the INTERMEDIARY in writing about his/her withdrawal at no cost or fee, and is entitled to be refunded of any amount paid. This right must be specified in the documents delivered to the client and the omitted indication thereof entails the invalidity of the relevant contracts, which may be enforced only by the client.

Article 21 – Reinsurance MEDIATION.

1. The provisions set forth in articles 19, paragraphs 2 to 7, and 20, par. 3 above, do not apply when the MEDIATION refers to reinsurance contracts.

PART IV SUPERVISION

Article 22 – Powers of the Supervisory Authority.

1. The CENTRAL BANK supervises the activities of the intermediaries with the powers provided for in Part II, Title I, Chapter I of the LISF.

2. The CENTRAL BANK may verify whether the persons registered in the register comply with the professional update obligation, as provided for by article 10 quater.

3. The CENTRAL BANK provides for the application of a penalty, as provided for by article 25, against intermediaries deemed to be non-compliant with respect to the professional update obligations provided for by article 10 quater.

Article 23 – Communications by the INTERMEDIARIES to the Supervisory Authority.

1. By 31 March of each year, all the intermediaries performing a financial activity must provide the CENTRAL BANK with a report on the activities performed during the previous year, prepared according to the model set forth in Annex C, enclosing a certification proving that they still fulfil the requirements referred to in article 7 as concerns natural persons provided for therein, updated to a date within six months from that of forwarding, and a copy of the civil liability insurance policy referred to in article 17.

2. The intermediary, if resident abroad, if planning to set up an address for service in San Marino, also pursuant to Article 23, paragraph 5, of the Decree no. 76/2006 as subsequently amended, in a place other than the San Marino head office of its mediation, is required to notify it to the CENTRAL BANK, at the time of the application for registration referred to in Article 9 or subsequently, if the residence is transferred abroad.

If the intermediary is a legal person, the notification requirements referred to above apply to the legal representative and - if appointed - to the managing director and director general, and are fulfilled, either directly or through the intermediary, both at the time of the first enrolment as well as subsequently if the residence is transferred abroad, in the event of a change of the previous address for service or notification of the appointment of a new legal representative and, where provided for, of the managing director or director general.

Article 24 – Change of data.

1. For the purpose of updating the register, the intermediaries must notify the CENTRAL BANK of any change in the data contained in the register, within thirty days from the date of such change.

2. Intermediaries registered under Section B of the register planning to change their legal representative or - if appointed - the managing director and the general director of the company, must previously request the authorisation from the CENTRAL BANK, enclosing the documents requested under articles 7 and 8.

This provision does not apply to foreign intermediaries registered by virtue of article 27, paragraph 2 of this Regulation, who are in any case required to notify the change within 30 days from the date on which it occurred.

3. Within thirty days from the date of receipt of the application, the CENTRAL BANK, having verified the existence of the requirements specified in Part II, Title II, issues a decision for the acceptance or rejection thereof.

4. Following the authorisation measure, the intermediaries must fulfil the obligations envisaged under the COMPANIES LAW.

5. After receiving the documents related to the changes referred to in paragraph 2 and having verified the concurrence of the persons for whom compliance with the requirements of good repute and professional requirements had been verified, the CENTRAL BANK shall amend the public register.

6. The provisions of article 10 governing the interruption and suspension of the period shall apply. The period may be interrupted also when the CENTRAL BANK deems it appropriate to involve the supervisory authority of the foreign country.

Article 25 – Sanctions.

1. The violation of the provisions contained in this Regulation may be sanctioned under Decree no. 76 dated 30 May 2006.

PART V

CROSS-BORDER OPERATIONS

TITLE I

CROSS-BORDER OPERATIONS OF THE INTERMEDIARIES

Article 26 – Authorisation procedure.

1. Intermediaries who have been registered under Sections A or B of the register and planning to operate abroad, in compliance with the provisions in force in the legal system of the Country of execution, under the regime of establishment or free provision of services, must file an application for authorisation with the CENTRAL BANK containing the following information:

- a) the foreign Country where they intend to operate;
- b) the operational procedures that they intend to adopt in order to conduct their business.

2. Within ninety days from the receipt of a request, the CENTRAL BANK releases a decision of acceptance or rejection, based on the assessment, also by means of specific on-site inspections, of the following circumstances:

- a) adequacy of the organisational procedures outlined, with reference to the activities to be carried out;
- b) regular fulfilment of the requirements provided for in this Regulation.

3. The provisions of article 10 governing the interruption and suspension of the period shall apply. The period may be interrupted also when the CENTRAL BANK deems it appropriate to involve the supervisory authority of the foreign Country.

4. After receiving the authorisation of the CENTRAL BANK, the intermediary may forward the request to the supervisory authority of the foreign Country and must inform the CENTRAL BANK on the outcome of such request and, in case of positive reply, the intermediary must communicate the actual date of the commencement of the operations in the foreign country for the purposes of register recording.

Article 27 – Operation in the Republic of San Marino by foreign insurance intermediaries.

1. Insurance and reinsurance intermediaries located in foreign Countries and planning to perform financial activities in the Republic of San Marino must request the authorisation from the CENTRAL BANK. The application, prepared according to the provisions contained in Annex D, must be accompanied by:

- a) a statement of the supervisory authority of the country of origin declaring that the applicant performs mediation activities in such Country and that there is no impediment to the performance of such activities in the Republic of San Marino;
- b) the business plan containing the information referred to in article 8-*bis*, paragraph. 2;
- c) a certificate proving the validity of requirements pursuant to article 7 as concerns the legal representative and - if appointed - the managing director and director general, with an at least six-month validity with respect to the date of sending;
- d) a copy of the civil liability insurance policy subject of article 17.

2. The CENTRAL BANK shall verify whether the undertaking on whose behalf the foreign intermediary will be performing the mediation activity, or regarding which the intermediary plans to conclude insurance contracts, is authorised to operate pursuant to article 75 of the LISF and whether the terms are mutually guaranteed in the Country of origin. Within thirty days from the date of receipt of the application, the CENTRAL BANK notifies the acceptance or rejection thereof. Should the application be accepted, the CENTRAL BANK issues a statement in order to allow the applicant to fulfil any additional requirements under the laws of San Marino. Once submitting such documents, the applicant is recorded in the appropriate Section of the register. The foreign intermediary is required to comply with the provisions of this Regulation and with any other provision of law or of the Regulation of the Republic of San Marino. In order to allow the performance of the supervisory activities, the applicant must have an office in the Republic of San Marino where all the documents related to the activities carried out in the Republic of San Marino are made available.

3. The provisions of article 10 governing the interruption and suspension of the period shall apply. The period may be interrupted also when the CENTRAL BANK deems it appropriate to involve the supervisory authority of the foreign Country.

TITLE II

INSURANCE ACTIVITIES CARRIED OUT IN THE REPUBLIC OF SAN MARINO BY FOREIGN INSURANCE OR REINSURANCE UNDERTAKINGS THROUGH INTERMEDIARIES

Article 28 – Conditions.

1. Foreign insurance or reinsurance undertakings intending to conclude insurance contracts in the Republic of San Marino must request the authorisation from the CENTRAL BANK and avail themselves of INTERMEDIARIES.

2. In order to release the authorisation, the CENTRAL BANK assesses:

- a) whether the company is subject to adequate forms of supervision by a supervisory authority in the country of origin;
- b) whether the supervisory authority of the country of origin has been informed about the intention of the company to carry out insurance activities in the Republic of San Marino, has not made any objections thereto and has certified the fulfilment of the solvency requirements set for the performance of the activities that the insurance undertaking intends to carry out in the Republic of San Marino;
- c) whether conditions of reciprocity exist.

Article 29 – Application for authorisation.

1. The application for authorisation, drafted in Italian, must be addressed to the Supervision Committee of the CENTRAL BANK of the Republic of San Marino. Annex E includes a *facsimile* of the request and specifies all the documents to be enclosed with such request.

2. The application is deemed to have been received on the date in which it was delivered directly to the offices of the CENTRAL BANK or on the date on which it was received by the CENTRAL BANK, if sent by registered letter with acknowledgement of receipt.

Article 30 – CENTRAL BANK provisions.

1. Within thirty days from the receipt of a request, having verified the requirements set forth in article 28, the CENTRAL BANK issues a decision authorising the conclusion of insurance contracts in the Republic of San Marino through INTERMEDIARIES, or, if such requirements do not exist, rejects the request.

2. The CENTRAL BANK withdraws the authorisation if the supervisory authorities of the country of origin of the insurance undertaking have withdrawn their authorisation or adopted a similar measure.

3. The provisions of article 10 governing the interruption and suspension of the period shall apply. The period may be interrupted also when the CENTRAL BANK deems it appropriate to involve the supervisory authority of the foreign country.

Article 31 – Publicity.

1. A list attached to the register referred to in article 4 above, will specify the foreign insurance undertakings that obtained the authorisation referred to in article 30 above.

2. Insurance undertakings, included in the list referred to in the preceding paragraph, are required to notify the CENTRAL BANK within the following thirty days thereafter of every event that modifies their legal status, which implies a change of the details contained in the aforementioned list. If the registered insurance undertakings are involved in extraordinary transactions (such as transformations, mergers, spin-offs) that entail their extinction, notice thereof is given within the following thirty days thereafter by the undertaking that succeeds in the legal relationships.

3. The CENTRAL BANK, in the absence of the notice referred to in the preceding paragraph, is in any case entitled to automatically update the information contained in the list when it becomes aware of the information in carrying out its supervisory tasks.

PART VI

FINAL AND TRANSITIONAL PROVISIONS

Article 32 – Transitional provisions.

1. *[OMISSIS]*

2. The CENTRAL BANK enters in the register provided for in article 4, the insurance agents who, at the date of entry into force of this Regulation, already performed insurance MEDIATION activities on the basis of a previously released licence to perform such activity and who notified the CENTRAL BANK of such circumstance, specifying the details of the license. In these cases, it is noted in the register that the entry was made pursuant to article 156, paragraph 7, of the LISF. Within thirty days from the receipt of the certification provided for under article 6, par. 2, these intermediaries must notify to the CENTRAL BANK by means of the form set forth in Annex F the list of the insurance undertakings on whose behalf they are authorised, by virtue of the appointments received, to conclude contracts within the Republic of San Marino as at the date of entry into force of this Regulation.

3. The financial promoters referred to in article 156, par. 5, of the LISF who, upon entry into force of this Regulation, were already carrying out MEDIATION activities related to insurance contracts as referred to in articles 116 and 117 of the LISF, must notify the CENTRAL BANK, not later than sixty days from the entry into force of this Regulation, whether they intend to be entered in Section A of the register of INTERMEDIARIES. For this purpose, they must enclose to such notice, by means of the form set forth in Annex F, the list of the insurance undertakings on whose behalf they are authorised, by virtue of the appointments received, to conclude contracts within the Republic of San Marino as at the date of entry into force of this Regulation.

4. The CENTRAL BANK enters under Section C of the Register provided for in article 4, any banks and FINANCIAL UNDERTAKINGS whose corporate purpose already include the possibility to perform activities connected to MEDIATION business. Within thirty days from the receipt of the certification provided for under article 6, par. 2, these intermediaries must notify to the CENTRAL BANK by means of the form set forth in Annex F the list of the insurance undertakings on whose behalf they are authorised, by virtue of the appointments received, to conclude contracts within the Republic of San Marino as at the date of entry into force of this Regulation.

5. Any persons registered by virtue of paragraphs 2, 3 and 4 above is required to comply with the rules of organisation and conduct envisaged in this Regulation, within the shortest possible delay and, in any case, not later than nine months after the date of entry into force of the Regulation.

Article 33 – Abrogated provisions.

1. As from the date of entry into force of this Regulation, the “Lettera Uniforme dell’Ispettorato per il Credito e le Valute” (Uniform Letter from the Inspectorate for Credit and Currencies) no. 38 dated 3 June 1994 is abrogated.

**ANNEXES TO THE REGULATION ON
INSURANCE AND REINSURANCE
MEDIATION**

year 2007 / number 02

Update V

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ANNEX

A

Form for the self certification of compliance with the requirements of good repute

SELF CERTIFICATION OF COMPLIANCE WITH THE REQUIREMENTS OF GOOD REPUTE

I, the undersigned _____ born on
_____ in _____
and resident in _____ at the
following _____ address
_____ I.S.S./Tax
code _____, _____, citizen of
_____, fully aware of the civil and criminal responsibility I undertake for the
veracity of the statements hereunder

DECLARE

pursuant to Law no. 165 of 17 November 2005 and the implementing measures issued by the Central Bank
of the Republic of San Marino, that:

1) in the last five-year period I resided for most of the time, at the following address:

_____¹;

2) from the enclosed certificates, issued by the competent local public authority based on the residence
specified in point 1 above, no prejudicial elements appear against me that might negatively affect compliance
with the requirements of good repute as envisaged in the supervisory provisions currently in force;

3) I am currently unaware of prejudicial proceedings/procedures/acts against me, already concluded or still
pending before any other jurisdiction other than that under point 2 above, which could compromise my
compliance with the requirements of good repute envisaged by the current supervisory provisions in force;

4) I do not fall under any of the impediments provided for by Article 7, paragraph 1, letter d).

AUTHORISE

the Central Bank of the Republic of San Marino to carry out any relevant and necessary verification with
the competent Offices to prove the veracity of my statements in this document.

In witness thereof.

(certified signature of the applicant and apostille or authentication if required)

Republic of San Marino, _____

¹ Insert: City name (Country name), street/square name and number.

ANNEX

B

Model of application for registration

**APPLICATION FOR THE REGISTRATION OF A NATURAL PERSON IN SECTION A OF
THE REGISTER OF INSURANCE AND REINSURANCE INTERMEDIARIES**

**To the Central Bank of the Republic of San Marino
Supervision Department
Via del Voltone, n. 120
47890 SAN MARINO**

I, _____ the _____ undersigned _____ (*surname and name*)

born in _____ on _____ ,
resident in _____ (RSM) ,
request to be entered under Section A of the register of insurance and reinsurance intermediaries established
pursuant to article 27 of Law no. 165 dated 17 November 2005, with the aim of performing:

sole proprietorship business activity

the duties of the person in charge of mediation activity for the company _____
with registration number _____.

For this purpose, I declare that the main office of business, where the relevant documentation will be kept,
is located in the Republic of San Marino at the following address:

_____.

I, the undersigned, attach the following documents to the present application:

1. a copy of a valid identification document;
2. certification proving compliance with the requirements of good repute provided for under article 7 of Regulation no. 2007-02;
3. documentation suitable to prove compliance with the professional requirements provided for under article 8 of Regulation no. 2007-02;
4. in case of sole proprietorship business activity, a business plan prepared pursuant to article 8-*bis* of Regulation no. 2007-02.

San Marino, date _____

(*certified signature of the applicant and apostille or authentication if required*)

**APPLICATION FOR THE REGISTRATION OF A COMPANY IN SECTION B OF THE
REGISTER OF INSURANCE AND REINSURANCE INTERMEDIARIES**

**To the Central Bank of the Republic of San Marino
Supervision Department
Via del Voltone, n. 120
47890 SAN MARINO**

I, _____ the _____ undersigned _____ (*surname* _____ and _____ *name*)

born in _____ on _____ ,

resident in _____ ,

in my capacity as (please fill in only the option of interest):

legal _____ representative _____ of _____ the _____ company

promoter _____ of _____ the _____ company _____ under _____ formation

request that the aforementioned company be entered in Section B of the register of insurance and reinsurance intermediaries established pursuant to article 27 of Law no. 165 dated 17 November 2005.

For this purpose, I declare that the main office of business, where the relevant documentation relating to the mediation activity will be kept, is located in the Republic of San Marino at the following address (*in case of companies under formation, this information may be omitted or a provisional location may be specified*):

_____ .

I, the undersigned, hereby declare that the persons in charge of mediation activity, registered in Section A of the register of insurance and reinsurance intermediaries established pursuant to article 27 of Law no. 165 dated 17 November 2005, and - if present - the managing director and/or director general, are as follows: (*please specify surname, name, place and date of birth, residence, position held*):

1. _____

2. _____

3. _____

4. _____

5. _____

Please find enclosed the following documentation:

1. certificate proving compliance with the requirements of good repute provided for by article 7 of Regulation no. 2007-02 as regards the legal representative and - if present - the managing director and/or the director general, as well as a copy of a valid identification document;
2. documentation proving compliance with the professionalism requirement provided for by article 8 of Regulation no. 2007-02 as regards the legal representative and - if present - the managing director and/or the director general;
3. business plan prepared pursuant to article 8-*bis* of Regulation no. 2007-02.

Any communication related to this application may be forwarded to the following address (*to be filled in only if different from the address specified in the premise*):

San Marino, _____

(certified signature of the applicant and apostille or authentication if required)

**APPLICATION FOR THE REGISTRATION OF A COMPANY IN SECTION C OF THE
REGISTER OF INSURANCE AND REINSURANCE INTERMEDIARIES**

**To the Central Bank of the Republic of San Marino
Supervision Department
Via del Voltone, n. 120
47890 SAN MARINO**

I, the undersigned (*surname* *and* *name*)

born in _____ on _____ ,
resident in _____ ,
as the legal representative of the company _____
registered in the Register of Authorised Entities with registration numbers

request that the aforementioned company be entered in Section C of the register of insurance and reinsurance intermediaries established pursuant to article 27 of Law no. 165 dated 17 November 2005.

For this purpose, I declare that the main office of the company, where the documentation regarding the mediation activity will be kept, is located in the Republic of San Marino at the following address:

_____ .

I, the undersigned, hereby declare that the persons in charge of mediation activity, registered in Section A of the register of insurance and reinsurance intermediaries established pursuant to article 27 of Law no. 165 dated 17 November 2005, are as follows:

(please specify surname, name, place and date of birth, residence, registration number under Section A)

1. _____

2. _____

3. _____

Please find enclosed the following documentation:

1. document summarising the organisation structure designated for insurance mediation activities and the names of collaborators, if any;
2. list of mediation assignments by undertakings with registered office within the Republic of San Marino or established in the Republic of San Marino, enclosing the relative documentation;
3. list of mediation assignments by undertaking under the regime for the provision of services without any establishment, enclosing the relative documentation.

Any communication related to this application may be forwarded to the following address (*to be filled in only if different from the address specified in the premise*):

San Marino, _____

(*certified signature of the applicant and apostille or authentication if required*)

ANNEX

C

Model of report on the activities performed

Table 1: General data and notes (GDN)	
Version of the model	1.01
Year of reference	
Submission deadline of the report	By 31 March of every year
Type of reporting party	Insurance and reinsurance intermediary
Name of the insurance and reinsurance intermediary	
Registration number under the Register of Insurance and Reinsurance Intermediaries	
Person in charge of statistical reports	
<i>Name and surname</i>	
<i>e-mail</i>	
<i>Telephone</i>	
<i>Fax</i>	
Notes under the report	

Table 2a: Representatives and persons in charge (to be filled only if registered under section B of the Register)		
Position held	Surname and Name	Place and date of birth
<i>Legal Representative/ Sole Director</i>		
<i>Managing Director</i>		
<i>Director General</i>		
<i>Persons in charge of mediation activity</i>		

Table 2b: Representatives and persons in charge (to be filled only if registered under section C of the Register)		
Position held	Surname and Name	Place and date of birth
<i>Persons in charge of mediation activity</i>		

Table 5: Summary of insurance contracts subject of mediation with a policyholder RESIDENT in the RSM

	Name of the insurance undertaking	Current Number of Policies (total)	of which mediated during the year in question (New Production)	Total sum of premiums mediated during the year in question	of which regarding the policies mediated during the year in question (New Production)	Total sum of premiums mediated during the year in question, net of any fees due to the intermediary
Class of Life Insurance						
Total Class of Life Insurance						
Class of Non-life Insurance						
Total Class of Non-Life Insurance						

Table 6: Summary of insurance contracts subject of mediation with a policyholder NOT RESIDENT in the RSM						
	Name of the insurance undertaking	Current Number of Policies (total)	of which mediated during the year in question (New Production)	Total sum of premiums mediated during the year in question	of which regarding the policies mediated during the year in question (New Production)	Total sum of premiums mediated during the year in question, net of any fees due to the intermediary
Class of Life Insurance						
Total Class of Life Insurance						
Class of Non-life Insurance						

Total Class of Non-Life Insurance						
--	--	--	--	--	--	--

Table 7: Rules of organisation and conduct (Only if registered under sections A and B of the Register)	
Civil liability insurance policy	
<i>Name of the issuing insurance undertaking</i>	
<i>Set limit of liability per claim</i>	
<i>Set aggregate limit of liability</i>	
<i>coverage start date (dd/mm/yyyy)</i>	
<i>coverage end date (dd/mm/yyyy)</i>	
Separate bank account	
<i>Owner of bank account</i>	
<i>Name of the San Marino bank where the account was opened</i>	

FILLING INSTRUCTIONS

1. For reporting purposes, the following terms shall have the following meanings:

Agent: an intermediary exclusively operating on behalf of one or more insurance or reinsurance undertakings.

Sub agent: an intermediary resident or with registered office in the Republic of San Marino who was appointed as insurance intermediary by an Agent registered under sections A or B of the register of insurance and reinsurance intermediaries pursuant to article 27 of the LISF.

Insurance broker: an intermediary exclusively operating on behalf of the customer and not authorised to represent insurance or reinsurance undertakings.

Member of staff: an employee or any other person appointed by intermediaries registered under sections A, B or C of the register of insurance and reinsurance intermediaries pursuant to article 27 of the LISF, performing insurance or reinsurance mediation activities within the premises of the aforementioned intermediaries.

Collaborator: an employee and any other person, even legal persons, appointed by intermediaries registered under sections A, B or C of the register of insurance and reinsurance intermediaries pursuant to article 27 of the LISF, performing insurance and reinsurance mediation activities even out of the premises where the aforementioned intermediary operates.

As concerns collaborators subject of the first report, any agreements entered with the latter from which it is observed that the activity will be exclusively performed under the mediation or collaboration assignments that the companies allocated to the person executing the report should be sent to dipartimento.vigilanza@bcm.sm within 15 days from the sending of this report.

2. In this report, specify the full name of the insurance undertaking on whose account insurance contracts were concluded in San Marino directly (as agent) or indirectly (as sub agent) as well as for brokerage activities.

ANNEX

D

Model of application for authorisation to perform insurance and reinsurance mediation activities in the Republic of San Marino by foreign persons

**To the Central Bank of the Republic of San Marino
Supervision Department
Via del Voltone, n. 120
47890 SAN MARINO**

Application for authorisation of foreign intermediaries to perform insurance and reinsurance mediation activities in the Republic of San Marino

I the undersigned _____, born in _____ on _____, resident in _____,

in my capacity as *(please fill in only the option of interest)*:

A.1) principal of the sole proprietorship *(please specify full name)* _____

A.2) legal representative of the company *(please specify full name of the company)* _____

authorised to carry out insurance mediation activities in *(specify the country)* _____, under the control of the supervisory authority *(specify the supervisory authority in the country of establishment)* _____, registered in the register *(specify the name of the register or equivalent database provided for under the regulations in the country of establishment and the details of such registration)* _____,

request to be authorised to carry out insurance mediation activities in the Republic of San Marino pursuant to article 27 of the Regulation which created the register of insurance and reinsurance intermediaries.

I, the undersigned, hereby declare that the persons in charge of mediation activity, registered in Section A of the register of insurance and reinsurance intermediaries established pursuant to article 27 of Law no. 165 dated 17 November 2005, and - if present - the managing director and/or director general, are as follows:

(please specify surname, name, place and date of birth, residence, position held):

1. _____

2. _____

3. _____

4. _____

Documents enclosed:

- a) a statement of the supervisory authority of the country of origin declaring that the applicant performs mediation activities in such Country and that there is no impediment to the performance of such activities in the Republic of San Marino;
- b) the business plan containing the information referred to in article 8-*bis*, paragraph. 2;
- c) a certificate proving the validity of requirements pursuant to article 7 as concerns the legal representative and - if present - the managing director and/or the director general, with an at least six-month validity with respect to the date of sending, alongside a copy of a valid identification document;
- d) a copy of the civil liability insurance policy subject of article 17.

Any communication related to this request shall be forwarded to the following address:

For the purposes of the Regulation that established the register of insurance and reinsurance intermediaries, I, the undersigned declare that the branch in the Republic of San Marino where the documentation related to the activities carried out will be kept, is located at the following address:

San Marino, _____

(certified signature of the applicant and apostille or authentication if required)

ANNEX

E

Model of application for authorisation to perform insurance or reinsurance activities in the Republic of San Marino through intermediaries

**To the Central Bank of the Republic of San Marino
Supervision Department
Via del Voltone, n. 120
47890 SAN MARINO**

Application for authorisation to perform insurance or reinsurance activities in the Republic of San Marino through intermediaries

I, the undersigned _____, born in _____ on _____, in my capacity as legal representative of the insurance or reinsurance undertaking (*specify the full name of the insurance undertaking*) _____,

request that the aforementioned company be authorised pursuant to article 75 of Law no. 165 dated 17 November 2005 to conclude insurance or reinsurance contracts in the Republic of San Marino through the intermediaries included in the register held by this Central Bank.

For this purpose I hereby declare that:

1) the registered office of the insurance or reinsurance undertaking is located in:

2) the Supervisory Authority in the Country of origin:

3) The business referee in the Republic of San Marino (*add name, surname, place and date of birth, position held, telephone no and e-mail*):

I enclose the following documents (**in Italian or with a sworn translation in Italian**):

- a) documentation proving that the insurance undertaking is authorised to conduct, in its country of origin, the insurance activities that it intends to conduct in the Republic of San Marino, that the Supervisory Authority in the country of origin is informed about the intention of the company to conduct insurance activities in the Republic of San Marino through intermediaries and that the insurance undertaking complies with the solvency requirements set by the Supervisory Authority in its country of origin as regards to the insurance activities that it intends to conduct in the Republic of San Marino.

Any communication related to this request shall be forwarded to the following address:

San Marino, _____

(certified signature of the applicant and apostille or authentication if required)